

**Registered number: SC275299**

**Business Homes – CALA Limited**  
**Annual report and financial statements**  
**For the year ended 30 June 2014**

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# **Business Homes – CALA Limited**

## **Annual report and financial statements for the year ended 30 June 2014**

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# **Business Homes – CALA Limited**

## **Directors and advisors**

### **Directors**

R J Millar  
J G G Reid

### **Company secretary**

Ledge Services Limited  
Johnstone House  
52–54 Rose Street  
Aberdeen  
AB10 1HA

### **Registered office**

Johnstone House  
52–54 Rose Street  
Aberdeen  
AB10 1HA

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Erskine House  
68-73 Queen Street  
Edinburgh  
EH2 4NH

## **Business Homes – CALA Limited**

**Registered number SC275299**

### **Directors' report for the year ended 30 June 2014**

The directors present their report and audited financial statements of the company for the year ended 30 June 2014.

#### **Review of the business**

The principal activity of the company is property development. As a result of trading conditions and recovery prospects for the commercial property market, no further capital will be invested for new developments.

#### **Results**

The results of the company show a loss on ordinary activities before taxation of £2,533 (2013: profit on ordinary activities before taxation £196,141) there has been no turnover in the year (2013: £1,115,500). The directors do not recommend the payment of a dividend (2013: £nil).

#### **Directors**

The directors of the company at 30 June 2014 and who served throughout the year and up to the date of this report are shown on page 1.

#### **Future outlook**

The directors have agreed that no further capital will be invested for new developments at this stage.

#### **Principal risks and uncertainties**

Given the status of the company the key business risk is considered to relate to going concern (discussed further below).

#### **Key performance indicators**

The directors believe that analysis using key performance indicators for the company is not necessary or appropriate for an understanding of the development, performance or position of the company.

#### **Going concern**

The financial statements have been prepared on a going concern basis which assumes that the company will be able to realise its assets and discharge its liabilities in the normal course of business.

The company is dependent upon the continued financial support of CALA Management Limited (which CALA Management Limited has agreed will continue for the foreseeable future) for its day to day working capital requirements to enable it to meet its liabilities as they fall due.

The directors are therefore of the opinion that the company will continue to meet its debts as they fall due for the foreseeable future.

For these reasons the directors believe it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

## **Business Homes – CALA Limited**

### **Directors' report for the year ended 30 June 2014 (continued)**

#### **Independent auditors and disclosure of information to auditors**

Each director, as at the date of this report, has confirmed that insofar as they are aware there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

In accordance with Companies Act 2006, an elective resolution has been passed by shareholders in order to dispense with the need to hold annual general meetings and to appoint auditors annually. PricewaterhouseCoopers LLP shall therefore continue as auditors to the company.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board



For and on behalf of Ledge Services Limited  
**Company secretary**

27 October 2014

## **Business Homes – CALA Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors' responsibilities were approved by the board on 23 October 2014 and signed on its behalf by:



**J G G Reid**  
**Director**

## **Business Homes – CALA Limited**

### **Independent auditors' report to the members of Business Homes - CALA Limited**

#### **Report on the financial statements**

##### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 30 June 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

##### **What we have audited**

The financial statements, which are prepared by Business Homes - CALA Limited, comprise:

- Balance sheet as at 30 June 2014;
- Profit and Loss Account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

##### **What an audit of financial statements involve**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **Business Homes – CALA Limited**

### **Independent auditors' report to the members of Business Homes – CALA Limited (continued)**

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

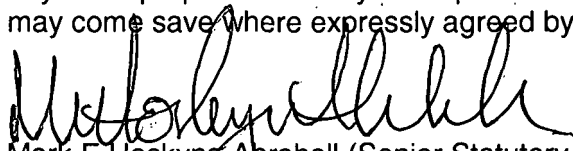
#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Mark E Hoskyns-Abrahall (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh

3 November 2014



## Business Homes – CALA Limited

### Profit and loss account for the year ended 30 June 2014

	Note	2014 £	2013 £
<b>Turnover</b>		-	1,115,500
Cost of sales		<u>-</u>	<u>(915,639)</u>
<b>Gross profit</b>		-	199,861
Administrative expenses		<u>(2,534)</u>	<u>(3,722)</u>
<b>Operating (loss)/profit</b>		(2,534)	196,139
Net interest receivable	4	<u>1</u>	<u>2</u>
<b>(Loss)/profit on ordinary activities before taxation</b>	2	(2,533)	196,141
Tax on (loss)/profit on ordinary activities	5	<u>570</u>	<u>48,224</u>
<b>(Loss)/profit for the financial year</b>	11	<u>(1,963)</u>	<u>244,365</u>

All activities are continuing.

The company has no recognised gains and losses other than those included in the profit and loss account above and, therefore, no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year above, and their historical cost equivalents.

## Business Homes – CALA Limited

### Balance sheet as at 30 June 2014

	Note	2014 £	2013 £
<b>Current assets</b>			
Debtors	6	48,470	54,712
Cash at bank and in hand		<u>98,435</u>	<u>84,912</u>
		146,905	139,624
<b>Creditors: amounts falling due within one year</b>	7	<u>(5,813,992)</u>	<u>(5,804,748)</u>
<b>Net current liabilities</b>		<u>(5,667,087)</u>	<u>(5,665,124)</u>
<b>Net liabilities</b>		<u>(5,667,087)</u>	<u>(5,665,124)</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,000	1,000
Profit and loss account	10	<u>(5,668,087)</u>	<u>(5,666,124)</u>
<b>Total shareholders' deficit</b>	11	<u>(5,667,087)</u>	<u>(5,665,124)</u>

The financial statements on pages 7 to 13 were approved by the board of directors on 23 October 2014 and signed on its behalf by:



J G G Reid  
Director

## **Business Homes – CALA Limited**

### **Notes to the financial statements for the year ended 30 June 2014**

#### **1. Accounting policies**

##### **Basis of accounting**

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

##### **Going concern**

The company is dependent upon the continued financial support of CALA Management Limited (which CALA Management Limited has agreed will continue for the foreseeable future) for its day to day working capital requirements to enable it to meet its liabilities as they fall due.

These financial statements do not include any adjustments to the balance sheet if assets were to be realised at significantly less than book value or provision for further liabilities that may be required if the going concern basis of preparation is inappropriate.

##### **Stocks and work in progress**

Stocks and work in progress, including land, are valued at the lower of cost and net realisable value. Cost comprises acquisition and build costs plus related fees. Net realisable value is the estimated selling price less all costs to be incurred.

##### **Turnover**

Turnover includes sale of development sites and rental income and is based on the invoiced value of sales, excluding value added tax. Turnover is recognised on sales legally completed in the financial year.

##### **Interest**

Interest is charged to work in progress and released to profit and loss account as the development sites are sold.

##### **Cash flow statement**

The company has taken advantage of the exemption available under Financial Reporting Standard number 1 Cash flow statements (revised 1996) and has not prepared a cash flow statement as a consolidated cash flow statement is presented in the financial statements of its parent, CALA Group Limited.

## Business Homes – CALA Limited

### Notes to the financial statements for the year ended 30 June 2014 (continued)

#### Deferred tax

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

	2014 £	2013 £
<b>2. (Loss)/profit on ordinary activities before taxation</b>		
Stated after charging:		
Auditors' remuneration		
- Audit services	1,359	2,615
- Non audit services – taxation services	<u>1,080</u>	<u>990</u>
<b>3. Directors' emoluments</b>		
No directors' emoluments were paid during the year (2013: nil). The average monthly number of employees including directors during the year was 2 (2013: 2).		
	2014 £	2013 £
<b>4. Interest</b>		
Interest receivable and similar income	<u>1</u>	<u>2</u>

## Business Homes – CALA Limited

### Notes to the financial statements for the year ended 30 June 2014 (continued)

	2014 £	2013 £
<b>5. Tax on (loss)/profit on ordinary activities</b>		
<b>(a) Analysis of tax credit for the year:</b>		
UK corporation tax on the (loss)/profit of the financial year	570	-
Adjustments in respect of prior years	-	48,224
<b>Total current tax credit</b>	<b>570</b>	<b>48,224</b>
<b>(b) Factors affecting tax credit for the year:</b>		
The difference between the current tax charge ordinary activities for the year, reported in the profit and loss account, and the current year tax charge that would result from applying the relevant standard rate of tax to the loss on ordinary activities before tax is explained as follows:		
	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	(2,533)	196,141
Profit on ordinary activities multiplied by the standard rate of tax at 22.5% (2013: 23.75%)	570	46,585
Effects of :		
Deferred tax movement not recognised	-	(46,585)
Adjustments in respect of prior years	-	(48,224)
<b>Current tax credit for the year</b>	<b>(570)</b>	<b>(48,224)</b>

#### (c) Factors affecting future tax charges

The rate of corporation tax was reduced to 21% effective from 1 April 2014. The impact of the reduction in the corporation tax rate is reflected in the table above.

In addition to the changes in rates of corporation tax disclosed above a further changes to the UK corporation tax rate was substantively enacted as part of the Finance Bill 2013 on 2 July 2013. The change was to reduce the main rate to 20% from 1 April 2015.

As the changes had not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

## Business Homes – CALA Limited

### Notes to the financial statements for the year ended 30 June 2014 (continued)

	2014 £	2013 £
<b>6. Debtors</b>		
Other debtors	48,470	54,712
	<u>48,470</u>	<u>54,712</u>
	2014 £	2013 £
<b>7. Creditors: amounts falling due within one year</b>		
Trade creditors	1,478	144
Other creditors	-	1,082
Accruals and deferred income	28,096	18,534
Amounts owed to CALA Management Limited	5,784,418	5,784,988
	<u>5,813,992</u>	<u>5,804,748</u>
	2014 £	2013 £
<b>8. Unrecognised deferred tax asset</b>		
Tax losses carried forward	<u>(1,030,596)</u>	<u>(1,185,185)</u>
<p>Following due consideration of the availability of tax losses in relation to future anticipated taxable profits, the deferred tax asset has not been recognised. The deferred tax asset not recognised will be recoverable should there be appropriate future taxable profits. The closing potential deferred tax asset is calculated using the rate of 20%.</p>		
<b>9. Called up share capital</b>	2014 £	2013 £
Allotted and fully paid		
500 (2013: 500) 'A' ordinary shares of £1 each	500	500
500 (2013: 500) 'B' ordinary shares of £1 each	500	500
	<u>1,000</u>	<u>1,000</u>

The shareholders of A and B ordinary shares have equal voting rights.

## Business Homes – CALA Limited

### Notes to the financial statements for the year ended 30 June 2014 (continued)

10. Profit and loss account	2014 £	2013 £
Balance brought forward	(5,666,124)	(5,910,489)
(Loss)/profit for the financial year	<u>(1,963)</u>	<u>244,365</u>
Balance carried forward	<u>(5,668,087)</u>	<u>(5,666,124)</u>

11. Reconciliation of movements in shareholders' deficit	2014 £	2013 £
Opening shareholders' deficit	(5,665,124)	(5,909,489)
(Loss)/profit retained for the financial year	<u>(1,963)</u>	<u>244,365</u>
Closing shareholders' deficit	<u>(5,667,087)</u>	<u>(5,665,124)</u>

#### 12. Related party transactions

The company has taken advantage of an exemption offered by FRS 8 with regard to the non-disclosure of related party transactions with other group companies on the grounds it is a wholly owned subsidiary of a group headed by CALA Group (Holdings) Limited, whose financial statements are publicly available.

#### 13. Ultimate controlling parties

The immediate parent undertaking is CALA Management Limited.

The intermediate parent company, at which level these financial statements are consolidated, is CALA Group (Holdings) Limited. The consolidated financial statements of CALA Group (Holdings) Limited are available from CALA House, 54 The Causeway, Staines-Upon-Thames, Surrey TW18 3AX.

The ultimate parent company is Haut Investments Limited. Haut Investments Limited is owned by a number of investors, with no individual investor having control.